

REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 12 FEB 2026 Thursday
TABLED BY: OF Hon. George Mung'ere, MP
CLERK-AT-THE-TABLE: Dabehaj O. LDM.
Kandla Tilitai

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THE AUDITOR-GENERAL

ON

**BAGAMOYO-HORO HORO-LUNGA LUNGA
MALINDI ROAD PROJECT PHASE 1 PROJECT
ID NO.P-Z1-DBO-129**

**FOR THE YEAR ENDED
30 JUNE, 2025**

KENYA NATIONAL HIGHWAYS AUTHORITY



MINISTRY OF ROADS AND TRANSPORT



**PROJECT NAME: (BAGAMOYO – HOROHORO - LUNGA LUNGA - MALINDI ROAD
PROJECT: PHASE I)**

IMPLEMENTING ENTITY: KENYA NATIONAL HIGHWAYS AUTHORITY

**PROJECT LOAN No: 2000200004662
2100150042250
PROJECT GRANT No: 5110155000755**

PROJECT ID: P-ZI-DBO-129

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025**

**Transitional IPSAS Financial Statements/Prepared in accordance with the Accrual Basis of Accounting Method
under the International Public Sector Accounting Standards (IPSAS)**

(Bagamoyo – Horohoro - Lunga Lunga - Malindi Road Project: Phase I)
Annual Report and Financial Statements for the financial year ended June 30, 2025



(Bagamoyo – Horohoro - Lunga Lunga - Malindi Road Project: Phase I)
Annual Report and Financial Statements for the financial year ended June 30, 2025

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1. Acronyms and Definition of Terms

ADB	African Development Bank
ADF	African Development Fund
CBK	Central Bank of Kenya
CPA	Certified Public Accountant
EIK	Environment Institute of Kenya
EU	European Union
EURO	Currency of the European Union
FY	Financial Year
GoK	Government of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KeNHA	Kenya National Highways Authority
Kshs.	Kenya Shillings
KISM	Kenya Institute of Supplies Management
LSK	Law Society of Kenya
MRT	Ministry of Roads and Transport
NEMA	National Environment Management Authority
NLC	National Land Commission
PAGDA	Pillar Assessed Grant or Delegation Agreement
PAPs	Project Affected Persons
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
SDG	Sustainable Development Goals
TNT	The National Treasury
UAC	Unit of Account
USD	United States Dollar

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project’s official name is Bagamoyo–HoroHoro-Lunga Lunga - Malindi Road Project: Phase I.

Objective

The key objective of the project is to boost regional integration by reducing transit times, facilitating trade and cross-border movement of people, opening up access to touristic attractions, linking the ports of Dar es Salaam, Tanga and Mombasa, and stimulating the blue economy.

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2.2 Project Information

Project Start Date:	The project start date was 10 th June, 2020 for ADB and ADF Loans The project start date was 25 th November, 2022 for EU PAGO DA Grant
Project End Date:	The project end date is 31 st December, 2025 for ADB and ADF Loans The project end date is 31 st December, 2026 for EU PAGO DA Grant
Project Coordinator:	The project coordinator is Eng. Cleophas Makau
Project Sponsor:	The project sponsor is African Development Bank, African Development Fund, the European Union & The Government of Kenya

Project Information and Overall Performance (Continued)

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the State Department for Roads under the Ministry of Roads and Transport
Project number	P-Z1-DBO-129
Strategic goals of the project	The strategic goals of the project are as follows: (i) Integration of East African Transport Corridors Networks (ii) Connecting Kenya and Tanzania
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Realisation of the regional road improvements, implementation of effective transit operations on the corridor and an efficient One Stop Border Post operation at Lunga Lunga/Horohoro (ii) Scaling up the quantity and quality of road infrastructure, which carry significant proportion of freight transport, about 90%, has gained prominence in both countries' development plans.
Other important background information of the project	The project will enhance regional integration, trade, tourism, blue economy and socio-economic development in the coastal corridor of the two Countries and by extension to the EAC Region and Horn of Africa.
Areas that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Contribution to increased regional and international trade between Kenya and Tanzania using the Lunga Lunga/Horohoro border. (ii) Reduction of cost of travel
Project duration	The ADB and ADF loans started on 10 th June 2020 and are expected to run until 31 st December 2025 while the EU grant started on 25 th November, 2022 and is expected to run until 31 st December 2026

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the project:

Co-operative Bank of Kenya
 Upper Hill Branch, Nairobi

Kenya Commercial Bank
 JKIA Branch, Nairobi

2.5 Independent Auditor

The project is audited by:

Auditor General
 Office of the Auditor General
 P.O Box 30084-0100, Nairobi

2.6 Roles and Responsibilities

Below is the list the different people who are working on the project;

No	Names	Title designation	Key qualification	Responsibilities
1	Eng. Henry Gakuru	Director-Development	Registered Engineer	Project Implementing Team Leader
2	Eng. Cleophas Makau	Deputy Director-Special Projects.	Registered Engineer	Project Coordinator
3	Mr. Walter B. Nyatwang'a	Deputy Director-Environment & Social Safeguards	Registered Environmental Specialist	Project Environmental & Social Safeguards Specialist
4	Ms. Norah Odingo	Corporation Secretary / Deputy Director -Legal Services	Advocate of the High Court of Kenya	Project Legal Specialist
5	CPA. Chanje Kera	Deputy Director-Finance & Accounts	Certified Public Accountant	Project Financial Management Specialist
6	Mr. Richard Kilel	Assistant Director-Supply Chain Management	Registered Member KISM	Project Procurement Specialist

(Bagamoyo – Horohoro - Lunga Lunga - Malindi Road Project: Phase I)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Project Information and Overall Performance (Continued)

2.7 Funding summary

The Project is for a duration of five and half years with an approved budget of Euro 108,000,000 by ADB, Euro 30,000,000 by EU & UA 46,360,000 by ADF equivalent to Kshs 29,634,340,257 at the exchange rates of 152.9815 to the Euro and 183.8415284 to the UA, and an amount of Kshs 4,904,891,978 by GoK as highlighted in the table below:

A. Sources of Funds

Source of funds	Donor Commitment			Amount Received to date – (30.06.2025)		Undrawn balance to date - (30.06.2025)	
	Donor Currency	Amount in Donor Currency	Kshs	Amount in Donor Currency	Kshs	Amount in Donor Currency	Kshs
		(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan							
African Development Bank (ADB)	Euro	108,000,000	16,378,200,000	48,508,699	5,644,705,859	59,491,301	10,733,494,141
African Development Fund (ADF)	UA	46,360,000	8,128,924,660	27,646,164	4,908,494,956	18,713,836	3,220,429,704
(ii) Grant							
European Union (EU)	Euro	30,000,000	4,549,500,000	14,406,187	1,695,953,818	15,593,813	2,853,546,182
(iii) Counterpart funds							
Government of Kenya	Kshs	-	4,678,164,580	-	4,609,294,841	-	68,869,739
Total			33,734,789,240		16,858,449,473		16,876,339,767

B. Application of Funds

Application of funds	Donor Currency	Amount received to date – (30th June 2025)		Cumulative Amount paid to date – (30th June 2025)		Unutilized balance to 30th June 2025	
		(A) Amount in Donor Currency	(A') KSHS	(B) Amount in Donor Currency	(B') KSHS	(A)-(B) Amount in Donor Currency	(A')-(B') KSHS
(i) Loan							
African Development Bank (ADB)	Euro	48,508,699	5,644,705,859	48,508,699	5,644,705,859	-	-
African Development Fund (ADF)	UA	27,646,164	4,908,494,956	27,646,164	4,908,494,956	-	-
(ii) Grant							
European Union (EU)	Euro	14,406,187	1,695,953,818	14,406,187	1,695,953,818	-	-
(iii) Counterpart funds							
Government of Kenya		-	4,609,294,841	-	4,454,929,508	-	154,365,333
Total			16,858,449,473		16,704,084,140	-	154,365,333

*(Bagamoyo – Horohoro - Lunga Lunga - Malindi Road Project: Phase I)
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Project Information and Overall Performance (Continued)

2.8 Summary of Overall Project Performance:

i) Budget performance against actual amounts for current year and for cumulative to-date,

Description	FY 2024/2025			Cumulative to Date		
	Budget	Actual	Percentage (%)	Budget	Actual	Percentage (%)
Counterpart Funds - GoK	4,463,569,388	4,307,120,352	96%	4,693,569,388	4,454,929,508	95%
Proceeds from External Development Partners						
Direct Payments	5,276,048,341	4,708,746,010	89%	13,331,267,177	12,249,154,633	92%
TOTAL	9,739,617,729	9,015,866,361	93%	18,024,836,565	16,704,084,140	93%

ii) Physical progress based on outputs, outcome and impacts since project commencement:-

As at 30th June, 2024, Lot 1 (Mombasa – Mtwapa Section) had achieved 42.96% progress while Lot 2 (Mtwapa – Kilifi Section) had achieved 68% progress

iii) Absorption rate for each year since the commencement of the project.

Financial Year	Budget	Actual	Percentage (%)
FY 2024/25	9,739,617,729	9,015,866,361	93%
FY 2023/24	3,875,000,000	3,527,223,113	91%
FY 2022/23	2,755,218,836	2,731,146,291	99%
FY 2021/22	1,555,000,000	1,410,098,820	91%
FY 2020/21	100,000,000	19,749,555	20%
TOTAL	18,024,836,565	16,704,084,140	93%

iv) Project Implementation Challenges

The main project implementation challenge is the lack of adequate GoK funding arising from low GoK counterpart budgetary provisions for timely settlement of the GoK counterpart project costs. It is recommended that the Government provides adequate budgetary provisions for all projects in order to facilitate smooth projects implementation.

2.9 Summary of Project Compliance:

There were no reported cases of significant non-compliance with applicable laws and regulations, and essential external financing agreements/covenants in the financial year.

3. Statement of Performance Against Project’s Predetermined Objectives

Introduction

Section 81(2)(f) of the Public Finance Management Act, 2012, requires that the Accounting Officer include a statement of the national/county government entity’s performance against predetermined objectives at the end of each financial year.

The key development objectives of the project’s agreement are to:

- a) to improve the trading environment in the Region through the provision of improved transport infrastructure and addressing soft barriers to the free movement of goods, services and people along the corridor.
- b) To fully exploit the benefits of regional integration, complementary ‘soft’ components aimed at tackling key constraints to trade and improving transit time and overall corridor efficiency have been integrated in the Project. In particular, the Project has identified the need to operationalize coordinated border management (CBM) system at the Lunga Lunga/Horohoro border post as a priority.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Objective	Outcome	Indicator	Performance
Contribution to increased regional and international trade between Kenya and Tanzania	Total import export trade using the Lunga Lunga/Horohoro border to increase by at least 20% (USD 169 million) by 2025	Volume of Import Export trade handled at Lunga-Lunga/Horohoro border	The project had achieved progress of 1.5% for lot 1 and 30.71% for lot 2. The completion of the project will facilitate achievement of the objectives by the year 2025
To enhance social economic development of the people along the project road	Improved air quality along the project road hence improved health among communities along the project road.	Reduced CO ₂ concentration along the project road as a result of reduced traffic congestion	Through technical and vocational trainings undertaken during the financial year, employment opportunities have been created.

4. Environmental and Sustainability reporting

Bagamoyo-HoroHoro-Lunga Lunga-Malindi Road Project: Phase I exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Below is a brief highlight of our activities that drive towards sustainability.

i) Sustainability strategy and profile

Sustainable Development Goals (SDGs) 2015-2030 provides a plan of action for the attainment of peace and prosperity. Five out of the seventeen goals are pertinent to management of projects being undertaken by the Authority. These are being addressed through the following initiatives;

a) *Good health and well-being (SDG 3)*: The Authority strives to undertake Road Safety Audits to identify accident black spots, implement intervention measures and provide road safety education to reduce accidents;

b) *Gender Equality (SDG 5)*: The Authority encourages mainstreaming of gender equality in project and programmes by incorporating compliance to one third gender rule in procurement and recruitment;

c) *Industry, innovation and infrastructure (SDG 9)*: The Authority develops quality, reliable, sustainable and resilient infrastructure including regional and trans-border infrastructure to support economic development and human wellbeing with a focus on affordable and equitable access for all;

d) *Sustainable cities and communities (SDG 11)*: The Authority endeavours to extend the paved road network to hitherto underserved areas in the region to improve nationwide access to high speed and all – weather connectivity; and

e) *Climate action (SDG 13)*: The Authority endeavours to combat negative impacts of road development through environmental mitigation, climate change measures and compliance with National Environment Management Authority (NEMA) requirements in all development projects

ii) Environmental performance

The Authority is working towards ensuring environmental sustainability in projects by undertaking tree planting exercises, implementation of road beautification programs, enforce reinstatement of quarries and borrow pits after construction works, undertakes regular Environmental Impact Assessment (EIA) Audits, carries out M&E on Environment and Social Management Plan (ESMPs) as well as Environmental Social Impact Assessment (ESIA) on projects.

Environmental and Sustainability reporting (Continued)

iii) Employee welfare

In all its staff appointments, the Authority takes deliberate actions to embrace Equal Employment Opportunity policies, gender mainstreaming, addresses concerns around Persons Living with Disabilities (PWDs) and takes affirmative action in line with prevailing Government Policy guidelines. The Authority prioritizes training to develop technical capacity of staff in the fields of Value Engineering, Project Financing, Project Contract Management, Performance Based Maintenance and Safety.

iv) Market place practices

The Authority strives to ensure responsible competition practices through undertaking annual governance audits in projects, monitoring the implementation of policies and further promotes ethical conduct in projects. The Authority equally sensitizes staff on corruption and integrity.

The Authority undertakes to be actively involved in the negotiations during budget sector hearings in order to increase budgetary allocations for projects thus honouring contracts by paying its liabilities on time.

v) Community Engagements

During the implementation of the Project, the Authority is committed to remaining a responsible corporate citizen by being accountable for its actions through engaging in Public Participation. The Project's goal in terms of community engagement is to foster long-term relationships with stakeholders and communities around the project. The aim is not just to build roads that foster development but to ensure collaboration with the local communities to achieve sustainable social economic development. The project staff is also encouraged to give back to society by participating in the Authority's corporate social responsibility initiatives.

To achieve inclusive growth among the community around the project area, the project has a component of training unemployed youth around the project area. To enhance social safeguards in projects, the Authority undertakes Resettlement Action Plan (RAP) studies and implements its recommendations, carries out Social Impact Assessments (SIA), undertakes gender mainstreaming and conduct stakeholders' forum to sensitize the public in several cross-cutting issues.

5. Statement of Project Management Responsibilities

The Director General, KeNHA and the Project Implementation Team Leader are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

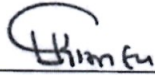
The Director General, KeNHA and the Project Implementation Team Leader accept responsibility for the Project's financial statements, which have been prepared on the accrual basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Director General, KeNHA and the Project Implementation Team Leader are of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the financial year ended June 30, 2025, and of the Project's financial position as at that date. The Director General, KeNHA and the Project Implementation Team Leader further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.


The Director General, KeNHA and the Project Implementation Team Leader confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the Director General, KeNHA and the Project Implementation Team Leader on 27 AUG 2025 and signed by:



Eng. Luka Kimeli
Ag. Director General



Eng. Henry Gakuru
Director-Development

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON BAGAMOYO-HORO HORO-LUNGA LUNGA MALINDI ROAD PROJECT PHASE 1 PROJECT ID NO.P-Z1-DBO-129 FOR THE YEAR ENDED 30 JUNE, 2025 - KENYA NATIONAL HIGHWAYS AUTHORITY

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying transitional IPSAS financial statements of Bagamoyo-HoroHoro-Lunga Lunga Malindi Road Project-Phase 1 set out on pages 1 to 24, which comprise of the statement of financial position as at 30 June, 2025 and the statement of

performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of Bagamoyo-HoroHoro-Lunga Lunga Malindi Road Project-Phase 1 as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with Transitional International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with Financing Agreements No.2000200004662, 2100150042250 and 5110155000755 between the Republic of Kenya and African Development Bank (AfDB), African Development Fund (ADF) and European Union (EU) dated 10 June, 2020, 10 June, 2020 and 25 November, 2023 respectively and the Public Finance Management Act, 2012; and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bagamoyo-HoroHoro-Lunga Lunga Malindi Road Project-Phase 1 Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Under Absorption on Proceeds from Foreign Borrowing

The statement of comparison of budget and actual amounts reflects total final receipt budget and actual receipts on proceeds from foreign borrowings amounting to Kshs.5,276,048,341 and Kshs.4,708,746,010 respectively resulting to under absorption of Kshs.567,302,331 or 11% of the budget on proceeds from foreign borrowings.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the prior year audit report, two issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. These include undisbursed receipts and slow Project implementation. Review of the status during audit of the Project in 2024/2025 revealed that the matters remained unresolved.

Other Information

The Management is responsible for the Other Information set out on page iii to xi which comprise of Project Information and Overall Performance, Statement of Performance Against Project's Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Project's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Interest on Delayed Payments

The statement of financial position reflects property, plant and equipment balance of Kshs.16,798,066,768 which, as disclosed in Note 10 to the financial statements, includes additions to work in progress of Kshs.4,324,659,685. The work in progress balance includes interest on delayed payments of Kshs.10,943,947 which could have been avoided.

In the circumstances, the value for money for the expenditure on interest on delayed payments could not be confirmed.

2. Delays in Project Implementation

2.1 Construction of Mombasa-Mtwapa (A7) Road Section- Lot 1

The contract agreement for Bagamoyo - HoroHoro - Lunga Lunga - Malindi Road Project - Lot 1, was signed on 18 March, 2022 at a contract sum of Kshs.7,590,747,593 with a commencement date of 17 November, 2022 and a completion date of 01 November, 2025, for a period of one thousand and eighty (1080) days. The Monthly Progress Report (MPR) No.34 for June, 2025, indicated that the amount certified and paid to date was Kshs.4,244,222,480 or 55% of the contract sum which included interim payment certificate (IPC) No.1 on advance payments to IPC No. 18. Time elapsed was nine hundred and fifty-six (956) days. The contractor had achieved an overall permanent works progress of 42% against the planned progress of 90% with an elapsed time of 88% of the contract period.

According to the MPR report, key factors that were affecting the progress of the works include delay in relocation of existing, delay in land acquisition and compensation of Project Affected Persons (PAPs) which is necessary for the removal of obstructions and land acquisition within the Right of Way (RoW) along the Project Road sections. In the circumstances, the Project may attract penalties from delay in implementation of the Project which would lead to avoidable expenditure.

2.2 Construction of Mtwapa-Kwa Kadzengo-Kilifi Section: Lot 2

The contract agreement for Mtwapa-Kwa Kadzengo-Kilifi Section - Lot 2, was signed on 05 November, 2021 at a contract sum of Kshs.7,546,323,677 with a commencement date of 21 December, 2021. The contract was for one thousand four hundred and forty-five days (1,445) days from 21 December, 2021 to 05 December, 2025 which was later extended for additional four hundred and fifty-one (451) days up to 01 March, 2027.

The Monthly Progress Report (MPR) No.43 for June, 2025 revealed that the amount certified and paid to date was Kshs.7,211,211,611 or 96% of the contract sum which included interim payment certificate (IPC) No.1 on advance payments to IPC No.22. The time elapsed was one thousand two hundred eighty-seven (1,287) days. The contractor had achieved a physical progress of 68%.

According to the MPR report, key factors that are affecting the progress of the works include; delay in clearance of vegetation and design change at the new Mtwapa Bridge, delay in relocation of power lines, delay in land acquisition and compensation of PAPs and relocation of power lines.

Further, physical inspection carried out in October, 2025 revealed that the Project had stalled and the contractor and the consultant were not on site. The Project had been suspended from 15 September, 2025 due to suspension of the services of the supervision consultant. This is due to delayed extension of their services which is awaiting issuance of No Objection from the Development Partner.

In the circumstances, the Project may attract penalties from delay in Project implementation which would lead to avoidable expenditure.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by Financing Agreements No.2000200004662, 2100150042250 and 5110155000755 between the Republic of Kenya and African Development Bank (AfDB), African Development Fund (ADF) and European Union dated 10 June, 2020, 10 June, 2020 and 25 November, 2023 respectively, I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project financial statements are in agreement with the accounting records and returns.

Basis for Conclusion

The Financing Agreement requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Project's compliance with laws and regulations. I believe that the audit

evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Transitional International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

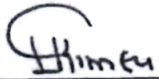
25 November, 2025

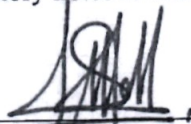
(Bagamoyo – Horohoro - Lunga Lunga - Malindi Road Project: Phase I)
Annual Report and Financial Statements for the financial year ended June 30, 2025

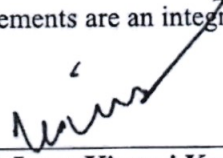
7. Statement of Financial Performance for the Year Ended 30th June 2025

	Notes	FY 2024-2025
		Kshs
Revenue		
Revenue Transfers	6	16,644,080
Miscellaneous Revenue		-
Total revenue		16,644,080
Expenses		
Employee costs		-
Use of goods and services	7	16,723,680
Depreciation and amortization expense		-
Transfer to other Government Entities		-
Other Transfers/Subsidies/Grants		-
Certified Works		-
Total expenses		16,723,680
Other gains/(losses)		
Gain/Loss on sale of assets		-
Gain/Loss on foreign exchange transactions		-
Impairment loss		-
Surplus/ (deficit)		(79,600)

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.


 Eng. Luka Kimeli
 Ag. Director General


 Eng. Henry Gakuru
 Director-Development


 CPA Isaac Kimani Karumba
 Ag. Deputy Director (F&A)
 ICPAK Member No. 3321

Date 27 AUG 2025

Date 27 AUG 2025

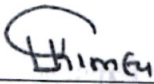
Date 27 AUG 2025


(Bagamoyo – Horohoro - Lunga Lunga - Malindi Road Project: Phase I)
Annual Report and Financial Statements for the financial year ended June 30, 2025

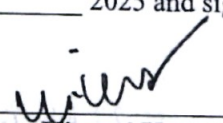
8. Statement of Financial Position as at 30th June 2025

	Note	FY 2024-2025	1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	8	154,365,333	3,212,110
Receivables	9	469,995,203	585,332,008
Total Current Assets		624,360,536	588,544,118
Non-Current Assets			
Property, Plant and Equipment	10	16,798,066,768	11,314,164,193
Total Non- Current Assets		16,798,066,768	11,314,164,193
Total Assets (a)		17,422,427,304	11,902,708,311
Liabilities			
Current Liabilities			
Trade and Other Payables	11	104,104,976	3,846,117,772
Third Party Deposits	12	602,304,854	490,868,969
Total Current Liabilities		706,409,830	4,336,986,741
Total Liabilities (b)		706,409,830	4,336,986,741
Net Assets (a-b)		16,716,017,475	7,565,721,570
Represented By:			
Capital Grants		16,712,936,678	7,562,561,174
Accumulated Surplus		3,080,796	3,160,396
Total Net Assets		16,716,017,475	7,565,721,570

The financial statements were approved on 27 AUG 2025 2025 and signed by:


 Eng. Luka Kimeli
 Ag. Director General


 Eng. Henry Gakuru
 Director -Development


 CPA Isaac Kimani Karumba
 Ag. Deputy Director (F&A)
 ICPAK No.3321

Date 27 AUG 2025

Date 27 AUG 2025


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(Bagamoyo – Horohoro - Lunga Lunga - Malindi Road Project: Phase I)
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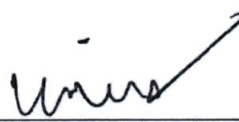
9. Statement of Changes in Net Assets

Description	Capital Grant	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
As at 30 th June 2024 (Cash Basis)	-	3,212,110	3,212,110
Adjustments:			
Asset Recognition	11,899,496,201	-	11,899,496,201
Liabilities Recognition	(4,336,935,027)	(51,714)	(4,336,986,741)
As at 1 st July 2024	7,562,561,174	3,160,396	7,565,721,570
Capital Grants received during the year	9,150,375,504	-	9,150,375,504
Surplus/(Deficit) for the year	-	(79,600)	(79,600)
As at 30 th June 2025	16,712,936,678	3,080,796	16,716,017,474

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 27 AUG 2025 2025 and signed by:


 Eng. Luka Kimeli
 Ag. Director General


 Eng. Henry Gakuru
 Director -Development


 CPA Isaac Kimani Karumba
 Ag. Deputy Director (F&A)
 ICPAK No.3321

Date 27 AUG 2025

Date 27 AUG 2025

Date 27 AUG 2025

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10. Statement of Cash flows for the year ended 30th June 2025

Description	Note	FY 2024 2025
		Kshs
Cashflow from operating activities		
Receipts		
Revenue Transfers		16,644,080
Total receipts		16,644,080
Payments		
Use of goods and services		16,644,080
Total payments		16,644,080
Net cash flow from operating activities	13	-
Cashflow from investing activities		
Acquisition of non-financial assets		(8,999,222,281)
Net cash flows from investing activities		(8,999,222,281)
Cash flow from financing activities		
Capital transfers: GoK Counterpart funding		4,444,115,745
Capital transfers: Development Partner		4,706,259,760
Net cash flow from financing activities		9,150,375,504
Net increase/Decrease in cash and cash equivalents		151,153,223
Cash and cash equivalent at 1st July 2024	8	3,212,110
Cash and cash equivalent at end June 2025	8	154,365,333

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11. Statement of Comparison of Budget and Actual amounts for the Year ended 30th June 2025

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget Carry Overs from previous periods	-	-	-	3,212,110	(3,212,110)	100%
Receipts						
Transfers from Government entities	119,000,000	4,344,569,388	4,463,569,388	4,458,273,575	5,295,813	100%
Proceeds from foreign borrowings	4,876,048,341	400,000,000	5,276,048,341	4,708,746,010	567,302,331	89%
Total Receipts	4,995,048,341	4,744,569,388	9,739,617,729	9,170,231,694	569,836,035	94%
Payments						
Use of goods and services	4,995,048,341	4,744,569,388	9,739,617,729	16,644,080	723,751,368	93%
Acquisition of non-financial assets				8,999,222,281		
Total Payments	4,995,048,341	4,744,569,388	9,739,617,729	9,015,866,361	723,751,368	93%
Surplus or Deficit	-	-	-	154,365,333	154,365,333	

Note: The significant budget utilization/performance differences in the last column are explained in Annex 4 to these financial statements.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	154,365,333
1	Reason for differences - None	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	154,365,333

12. Notes to the Financial Statements

1. General Information

The Kenya National Highways Authority is established by and derives its authority and accountability from Roads Act 2007. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity’s principal activity is the Management, development, rehabilitation and maintenance of national trunk road.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

These financial statements were authorized for use by accounting officer on 27 AUG 2025

3. Adoption of New and Revised Standards

- i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>The project does not anticipate that the standard will have any impact on its operations and reporting.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately</p>

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Annual Report and Financial Statements for the financial year ended June 30, 2025*

Standard	Effective date and impact:
	<p>in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>The project does not anticipate that the standard will have any impact on its operations and reporting.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>The project does not anticipate that the standard will have any impact on its operations and reporting.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>The project does not anticipate that the standard will have any impact on its</p>

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Standard	Effective date and impact:
	operations and reporting.

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

Standard	Effective date and impact:
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>The project does not anticipate that the standard will have any impact on its operations and reporting.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>The project does not anticipate that the standard will have any impact on its operations and reporting.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>The project does not anticipate that the standard will have any impact on its</p>

(Bagamoyo – Horohoro - Lunga Lunga - Malindi Road Project: Phase I)
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Standard	Effective date and impact:
	operations and reporting.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>The project does not anticipate that the standard will have any impact on its operations and reporting.</p>

iii) Early adoption of standards

The Project did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Project and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The original budget for FY 2024/2025 was approved by the National Assembly on 28th January 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Project upon receiving the respective approvals to conclude the final budget. Accordingly, the Project recorded additional appropriations of *Kshs. 4,744,569,388* on the FY 2024/2025 budget following its approval. The Project's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 5 under section *II* of these financial statements.

Notes to the financial statements

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Project recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Project. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Project also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Project will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

Notes to the financial statements

f) Research and development costs

The Project expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Project can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

g) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Project does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Project's financial statements.* A financial instrument is any contract that gives rise to a financial asset of one Project and a financial liability or equity instrument of another Project. At initial recognition, the Project measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The Project classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the Project's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved

Notes to the financial statements

by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash

flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless the Project has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the Project classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the Project manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Notes to the financial statements

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

Impairment

The Project assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Project recognizes a loss allowance for such losses at each reporting date. The project did not have any impairment during the financial year.

Financial liabilities

Classification

The Project classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

h) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Project.

Notes to the financial statements

i) Provisions

Provisions are recognized when the Project has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Project expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Project does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Project does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Project in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

j) Nature and purpose of reserves

The Project creates and maintains reserves in terms of specific requirements. The Project maintains grants and surplus reserves. The grant reserves are exchequer and development partner funds received from the Government and Development Partners for development of roads. The surplus reserve represents the surplus or deficit of internally generated funds against other project operation expenses and transfers. The exchequer and Development partner funds are capitalized in the statement of financial position. However, the portion of exchequer and development partner funds spent on non-capital items or project expenses is transferred to recurrent transfers and treated as recurrent government and development partner grants and expenditures accordingly.

k) Changes in accounting policies and estimates

The Project recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Notes to the financial statements

l) Employee benefits

Retirement benefit plans

The project does not employ project specific employees hence does not maintain Retirement benefit Plans.

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

n) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

o) Related parties

The Project regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the Project, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

p) Service concession arrangements

The Project analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Project recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Project also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Notes to the financial statements

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

r) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Project financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Project based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Project. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Project.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Notes to the financial statements

Provisions

Provisions were raised and management determined an estimate based on the information available. There were no additional provisions made in the financial year.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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Notes to the financial statements

6. Revenue Transfers

Description	FY 2024-2025
	KShs
Unconditional Transfers	
GoK Counter Part funding	4,458,273,575
Transfers from European Union	-
Transfers from African Development Bank	-
Transfers from African Development Fund	-
Total Unconditional Transfers (a)	4,458,273,575
Conditional Transfers	
Transfers from European Union	761,161,182
Transfers from African Development Bank	2,201,095,106
Transfers from African Development Fund	1,746,489,721
Total Conditional Transfers (b)	4,708,746,010
Total Transfers for the Year (a + b)	9,167,019,584

a) Details to Revenue Transfers

Name of The Entity Transferring	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount moved to Capital fund	Total transfers (FY 2024-2025)
	Kshs	Kshs	Kshs	Kshs
GOK Counterpart funding	14,157,830	-	4,444,115,745	4,458,273,575
Transfers from European Union	2,486,250	-	758,674,932	761,161,182
Transfers from African Development Bank	-	-	2,201,095,106	2,201,095,106
Transfers from African Development Fund	-	-	1,746,489,721	1,746,489,721
Total	16,644,080	-	9,150,375,504	9,167,019,584

7. Use of goods and services

Description	FY 2024/25
	Kshs
Domestic travel and subsistence	14,237,430
Training of Unemployed Youth	2,486,250
Total	16,723,680

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8. Cash and Cash Equivalents

	2024/2025	1st July 2024
	Kshs	Kshs
Cash in Bank	154,365,333	3,212,110
Total Cash and Cash Equivalents	154,365,333	3,212,110

Project Bank Accounts

	2024/2025	1st July 2024
	Kshs	Kshs
National Bank of Kenya A/C No. 0100132733200	-	-
Co-operative Bank of Kenya Ltd A/C: '01141160979900	154,365,333	3,212,110
KCB Bank Revenue Account No.1274695775	-	-
Total	154,365,333	3,212,110

9. Receivables

Description	FY 2024-25	1st July 2024
	Kshs	Kshs
Contractor's Advance Payments	469,995,203	585,332,008
Total Receivables	469,995,203	585,332,008

Ageing analysis for Receivables

Description	FY 2024/25		1 st July 2024	
	Kshs		Kshs	
	FY 2024/25	% of the total	1st July 2024	% of the total
Less than 1 year	-	0%	-	0%
Between 1- 2 years	-	0%	585,332,008	100%
Between 2-3 years	469,995,203	100%	-	0%
Over 3 years	-	0%	-	0%
Total	469,995,203		585,332,008	

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10. Property, Plant and Equipment

Cost	Land	Capital Work in progress	Total
	Kshs	Kshs	Kshs
Depreciation rate			
As At 1July 2024 (opening balances)	3,169,464,820	8,144,699,373	11,314,164,193
Additions	1,159,242,890	4,324,659,685	5,483,902,575
Disposals	-	-	-
Transfers/Adjustments	-	-	-
As at 30th June 2025	4,328,707,710	12,469,359,058	16,798,066,768
Depreciation and Impairment			
As at 1July 2024	-	-	-
Depreciation charge for the year	-	-	-
Impairment loss	-	-	-
Transfers/ Adjustments	-	-	-
As At 30th June 2025	-	-	-
Net Book Values			
As at 1st July 2024	3,169,464,820	8,144,699,373	11,314,164,193
As at 30th June 2025	4,328,707,710	12,469,359,058	16,798,066,768

11. Trade and Other Payables

Description	FY 2024/25		1st July 2024	
	Kshs		Kshs	
Trade payables	104,104,976		3,846,117,772	
Employee payables	-		-	
Other payables (specify)	-		-	
Total trade and other payables	104,104,976		3,846,117,772	
Ageing analysis: (Trade and other payables)	FY 2024/25	% of the Total	1st July 2024	% of the Total
Under one year	104,053,262	99.95%	3,826,123,042	99%
1-2 years	-	-	19,994,729	1%
2-3 years	51,714	0.05%	-	-
Over 3 years	-	-	-	-
Total (tie to above total)	104,104,976		3,846,117,772	

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12. **Third Party Deposits**

Description	FY 2024-2025		1st July 2024	
	Kshs		Kshs	
Contractors' Retention Payable by Development Partner	602,304,854		490,868,969	
Contractors' Retention Controlled by Entity	-		-	
Total	602,304,854		490,868,969	
	FY 2024 - 2025	% of the Total	1st July 2024	% of the Total
Ageing analysis:				
Under one year	265,984,594	44%	182,702,331	37%
1-2 years	318,694,305	56%	290,540,684	59%
2-3 years	-	0%	17,625,955	4%
Over 3 years	17,625,955	0%	-	0%
Total	602,304,854		490,868,969	

13. **Cash Generated from Operations**

Description	FY 2024 2025
	Kshs
Surplus/Deficit for the year	(79,600)
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Impairment	-
Gains and losses on disposal of assets	-
Working capital adjustments	
Increase in inventory	-
Increase in receivables	-
Increase in deferred income	-
Increase in payables	79,600
Increase in payments received in advance	-
Net cash flow from operating activities	-

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14. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *Authority* include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of Directors.

Description	FY 2024/25
	Kshs
Transactions with related parties	
a) Sales to related parties	
Others (specify) e.g. interest and bank charges	-
Total	-
B) purchases from related parties	
Purchase of water from govt service providers	-
Rent expenses paid to govt agencies	-
Others (specify)	-
Total	-
b) Grants /transfers from the government	
Grants from national govt	4,458,273,575
Grants from county government	-
Donations in kind	-
Total	-
c) Expenses incurred on behalf of related party	
Payments of salaries and wages for employees	-
Payments for goods and services	-
Total	-
d) Key management compensation	
Directors' emoluments	-
Compensation to key management	-
Total	4,458,273,575

15. Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

16. Ultimate and Holding Entity

The Kenya National Highways Authority is a State Corporation under the Ministry of Roads and Transport. Its ultimate parent is the Government of Kenya.

17. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

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13. Annexes

Annex 1 - Progress on follow up of Prior Year Auditors recommendations

Ref. No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Time Frame
	<p>Other Matter</p> <p>Unresolved Prior Year Matters In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management had not resolved the issues as at 30 June, 2024.</p>	<p>We note the audit observation.</p> <p>We wish to clarify that the Authority has appeared before the Public Accounts Committee and made its submissions on all matters raised by the Auditor General on the Project financial statements up to FY 2021/22 and awaits invitation to appear before the committee on audit observations for FY 2023/24.</p>	Not Resolved	FY 2025/26
	<p>Basis for Conclusion</p> <p>1. Undisbursed Receipts The Project was allocated an amount of Kshs.75,000,000 in the supplementary estimates by the National Assembly and as communicated to Management on 25 June, 2024. Kshs.41,000,000 was in respect of Lot 1-Mombasa- Mtwapa section and an amount of Kshs.34,000,000 was in respect of Lot 2 - Mtwapa- Kilifi section of the Project.</p> <p>However, during the year under review, the funds were not disbursed to the Project by The National Treasury leading to non-payment of Project Affected Persons (PAPs).</p>	<p>We agree with the audit observation that although the project had a budgetary provision amounting to Kshs.75,000,000 during the FY 2023/24, the exchequer funds were not released to finance the project.</p> <p>The Authority continues to liaise with the parent Ministry and the National Treasury in a bid to ensure that budgeted funds are released to the Authority in the course of the respective financial year.</p> <p>In FY 2024/25 however, the project received an amount of Kshs. 9,146,348,313 from the exchequer and was applied to settle part of the Project pending bills.</p>	Not Resolved	Ongoing

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	<p>In the circumstances, the implementation of the Project may be negatively affected.</p>			
	<p>2. Slow Project Implementation</p> <p>(i) Lot 1 - Mombasa Mtwapa</p> <p>The contract agreement for Bagamoyo - Horohoro - Lunga - Malindi Road Project-Lot 1, was signed on 18 March, 2022 at a contract sum of Kshs.7,590,747,593 with a forty- eight (48) months contract period broken down into thirty-six (36) months for construction works and twelve (12) months for defect notification period. Review of the monthly progress report (MPR) as at 27 August, 2024 revealed that the contractor’s amount certified to date was Kshs.2,269,862,424 which included Interim Payment Certificate (IPC) No.1 on advance payments to IPC No. 12 out of which Kshs.1,607,306,318 had been paid to the contractor. The report further revealed that the contractor had only completed 18.14% of the works against 45.31% of overall programmed progress due to the inability to obtain access to the section between Km 0+000 to Km 6+000 due to delay in compensation of Project Affected Persons. This has led to failure by the contractor to commence construction of two (2) grade separated intersections at Kengeleni and Bombolulu. This was an indication that the</p>	<p>We note the audit observation that the project has experienced delays in execution. We however wish to note that the project has been delayed by a number of factors key among them by lack of adequate right of way to enable execution of the works. The authority has however worked closely with different service providers to enable relocation of utilities.</p> <p>In FY 2024/25 however, the project received an amount of Kshs. 4,458,273,575 from the exchequer and was applied to settle all the Project affected persons pending bills as at 30 June 2024. The Contractor has therefore been availed right of way and is expected to the works executed is expected to catch up with lost time.</p>	<p>Not Resolved</p>	<p>FY 2025/26</p>

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	<p>Project was significantly behind schedule and may not be delivered within the timelines provided in the contract agreement which had twelve (12) months period to closure.</p>			
	<p>(ii) Lot 2 - Mtwapa-Kwa Kadzengo-Kilifi The contract agreement for Bagamoyo - Horo - Lunga - Malindi Road Project- Lot 2, was signed on 5 November, 2021 at a contract sum of Kshs.7,546,323,677 with forty-eight (48) months contract period broken down into thirty-six (36) months for construction works and twelve (12) months for defect notification period. Review of the Monthly Progress Report as at 30 August, 2024, revealed that the amount certified to date was Kshs.6,193,404,262 out of which Kshs.5,383,856,266 had been paid to the contractor. The report further revealed that the contractor had only completed 62% of the works and the project was expected to close by 5 December, 2024. However, the contractor had not been able to access some sections of the construction sites due to delay in land acquisition. This led to delay in commencement of the construction of a dual carriage road with service roads on a 7.66Km section in Mtwapa town and the construction of proposed weighbridge. This was an indication that the Project was significantly behind schedule and may not be delivered within the timelines provided</p>	<p>We note the audit observation that some sections of the project have experienced delays in execution. We however wish to clarify that the works in this section have progressed well with the single carriageway road section (Approximately 32 km) having been completed and handed over to the Employer in March 2024. The low percentage of progress is however due to delay in commencement of the New Mtwapa Bridge. The delay arose from the necessary statutory approvals necessary before works can be done at the creek which include approvals from Kenya Forest Service (KFS) and Kenya Maritime Authority</p> <p>Further, in FY 2024/25, the project received an amount of Kshs. 4,458,273,575 from the exchequer and was applied to settle all the Project affected persons pending bills as at 30 June 2024. The Contractor has therefore been availed right of way and is expected to the works executed is expected to catch up with lost time.</p>	<p>Not Resolved</p>	<p>FY 2025/26</p>

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	in the contract agreement. In the circumstances, the delay in the implementation of the road works will adversely affect the completion of the project and the project objectives and value for money may not be achieved.			
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Eng. Luka Kimeli
Ag. Director General




Eng. Henry Gakuru
Director -Development

(Bagamoyo – Horohoro - Lunga Lunga - Malindi Road Project: Phase I)
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Annex 2: Reconciliation of Inter-Entity Transfers

Break down of Transfers from the State Department for Roads		
Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
a. Government Counterpart Funding		
06/05/2025	80,000,000	FY 2024/25
06/05/2025	70,000,000	FY 2024/25
06/05/2025	14,000,000	FY 2024/25
06/05/2025	5,000,000	FY 2024/25
Total	169,000,000	
b. Direct Payments		
Total		
c. Others		
Fuel Levy Funds		
Total		
Annuity fund		
Total		
RMLF Bridge financing facility		
01/04/2025	4,289,273,575	FY 2024/25
Total	4,289,273,575	
Total (a+b+c)	4,458,273,575	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department


 Eng. Luka Kimeli
 Ag. Director General


 CPA Isaac Kimani Karumba
 Ag. Deputy Director (F&A)
 ICPAK Member No. 3321

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Annex 3 – Fixed Asset Register

Asset class	Historical Cost b/f Previous Year	Additions during the year	Disposals during the Year	Transfers in/(out) during the year	Historical Cost c/f Current Year
	(KShs)	(KShs)	(KShs)	(KShs)	(KShs)
Construction of Roads	8,144,699,373	4,324,659,685	-	-	12,469,359,058
Acquisition of Land	3,169,464,820	1,159,242,890	-	-	4,328,707,710
Total	11,314,164,193	5,483,902,575	-	-	16,798,066,768

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Annex 4 - Variance Explanations - Comparative Budget and Actual amounts for Current FY

Receipts/Payments Item	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
	Kshs	Kshs	Kshs		
Budget Carry Overs from previous periods	-	3,212,110	(3,212,110)	100%	
Receipts					
Transfers from Government entities	4,463,569,388	4,458,273,575	5,295,813	100%	
Proceeds from foreign borrowings	5,276,048,341	4,708,746,010	567,302,331	89%	Lack of Right of Way as a result of inadequate GoK budgets to facilitate acquisition of land.
Total Receipts	9,739,617,729	9,170,231,694	569,386,035	94%	
Payments					
Use of goods and services	9,739,617,729	16,644,080	723,751,368	93%	
Acquisition of non-financial assets		8,999,222,281			
Total Payments	9,739,617,729	9,015,866,361	723,751,368	93%	
Surplus or Deficit	-	154,365,333	154,365,333		

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Annex 5 - Proceeds from Domestic and Foreign Grants Received from The European Union

No	Date	Payee	Currency of Payment	Payment Reference	Amounts in respective currency of IPC/fee note		Equivalent amount in reporting currency	Equivalent amount in Donor Currency
					USD	Kshs	Kshs	Euro
1	30/05/2025	Apex Systems Consulting Group Ltd.	USD	PV 95853 WA 045	37,602.64		4,251,200.31	27,716.25
2	30/05/2025	Apex Systems Consulting Group Ltd.	USD	PV 95854 WA 046	56,403.96		6,376,800.46	41,574.38
3	27/06/2025	Bandari College	KES	PV 99297 WA 048		866,250.00	866,250.00	4,940.30
4	27/06/2025	Bandari College	KES	PV 99296 WA 047		1,526,250.00	1,526,250.00	8,704.34
5	04/03/2025	Cas Consultants Ltd	USD	PV 95905 WA 42	17,680.00		1,966,484.52	15,650.16
6	04/03/2025	Cas Consultants Ltd	USD	PV 95904 WA 41	17,680.00		1,966,484.52	15,650.16
7	04/03/2025	Cas Consultants Ltd	USD	PV 95903 WA 40	53,040.00		5,899,453.56	46,950.49
8	04/03/2025	Cas Consultants Ltd	USD	PV 95902 WA 39	35,360.00		3,932,969.04	31,300.33
9	04/03/2025	Cas Consultants Ltd	USD	PV 95901 WA 38	35,360.00		3,932,969.04	31,300.33
10	04/03/2025	Cas Consultants Ltd (reversal of amount reported in prior FY but not paid)	Kshs			(3,932,960.00)	(3,932,960.00)	
11	05/08/2024	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV 92015 WA 022	260,382.36		28,346,447.51	233,255.02
12	05/08/2024	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV 92018 WA 023	399,259.69		43,465,286.37	357,663.73
13	03/09/2024	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV92557 WA027	289,781.89		31,547,018.52	263,868.53
14	09/10/2024	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV93256 WA029	565,277.54		61,538,769.81	518,412.13
15	17/10/2024	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV 93572 WA 030	641,706.81		69,859,219.36	606,355.55
16	07/11/2024	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV 94215 WA 32	274,168.49		29,847,270.41	260,344.36
17	12/02/2025	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV 95912 WA 037	222,563.20		24,229,276.00	212,672.71
18	27/02/2025	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV 96265 WA 43	412,795.80		44,938,890.93	381,265.20
19	17/04/2025	Hunan Road & Bridge	USD	PV 97639 WA 44	697,006.17		75,879,367.60	616,983.07

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20	05/08/2024	Construction Group Co. Ltd. Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	USD	PV92069 WA24	678,376.98		73,554,787.84	609,996.49
21	31/07/2024	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	USD	PV 92073 WA 025	111,178.33		12,054,799.49	99,971.54
22	13/08/2024	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	USD	PV92217 WA026	375,180.31		40,679,900.58	345,690.44
23	15/10/2024	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	USD	PV93575 WA031	988,456.83		107,176,001.78	950,071.11
24	10/01/2025	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	USD	PV 94864 WA 034	486,057.88		52,702,089.39	469,168.14
25	31/01/2025	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	USD	PV 95844 WA 035	111,178.33		12,054,799.49	102,686.19
26	07/02/2025	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	USD	PV 95908 WA 036	236,325.41		25,624,197.03	225,823.34
93	16/01/2025	MDZONGOLONI VOCATIONAL AND TRAINING CENTRE	KES	PV 95183 WA 033		93,570.00	93,570.00	679.18
27	09/09/2024	Smec International (Pty) Ltd	USD	PV92610 WA028	6,930.98		783,588.18	5,108.70
		Total			7,009,753.60	(1,446,890.00)	761,161,181.74	6,483,802.18

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Annex 6 – Loan from External Development Partners

A. Amounts Received from the African Development Bank (ADB)

No	Date	Payee	Currency of Payment	Payment Reference	Amounts in respective Currency of IPC/fee note		Equivalent amount in reporting currency	Equivalent amount in Donor Currency	Description
					USD	Kshs	Kshs	Euro	
1	05/08/2024	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV 92014 WA 031	908,000		98,849,149	819,221	Mombasa-Mtwapa IPC 09 AfDB USD
2	05/08/2024	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV 92017 WA 032	1,392,290		151,571,256	1,256,160	Mombasa-Mtwapa IPC 10 USD AfDB
3	03/09/2024	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV92556 WA036	1,010,521		110,010,117	921,244	Mombasa-Mtwapa 11 (AfDB USD)
4	09/10/2024	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV93255 WA37	1,971,224		214,596,738	1,815,659	Mombasa-Mtwapa 13 (AfDB USD)
5	17/10/2024	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV 93571 WA 038	2,237,747		243,611,636	2,120,404	Mombasa-Mtwapa IPC 14 AfDB USD
6	07/11/2024	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV 94214 WA 040	956,075		104,082,790	910,045	Mombasa-Mtwapa IPC 15 AfDB USD
7	12/02/2025	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV 95911 WA 044	776,118		84,491,834	735,866	Mombasa-Mtwapa IPC 16 AfDB USD
8	27/02/2025	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV 96264 WA 045	1,439,493		156,709,980	1,312,640	Mombasa-Mtwapa IPC 17 AfDB USD
9	17/04/2025	Hunan Road & Bridge Construction Group Co. Ltd.	USD	PV 97638 WA 46	2,430,586		264,604,974	2,173,601	Mombasa-Mtwapa IPC 18 AfDB USD
10	05/08/2024	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	USD	PV92068 WA33	1,930,765		209,348,241	1,741,986	Mtwapa-Kilifi 16 (AfDB USD VEC)
11	31/07/2024	Jiangxi Transportation	USD	PV 92072					Mtwapa-Kilifi IPC 17 AfDB USD-VIC

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No	Date	Payee	Currency of Payment	Payment Reference	Amounts in respective Currency of IPC/fee note		Equivalent amount in reporting currency	Equivalent amount in Donor Currency	Description
					USD	Kshs	Kshs	Euro	
		Engineering in JV With Victoria Engineering Co. Ltd		WA 34	316,431		34,309,814	285,492	
12	13/08/2024	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	USD	PV92216 WA035	1,067,821		115,781,256	988,641	Mtwapa-Kilifi 18 (AfDB USD VEC)
13	15/10/2024	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	USD	PV93574 WA039	1,437,723		155,888,847	1,361,171	Mtwapa-Kilifi 19 (AfDB USD VEC)
14	05/12/2024	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	USD	PV94865 WA041	1,383,396		149,998,254	1,318,763	Mtwapa-Kilifi 20 (AfDB USD VEC)
15	06/02/2025	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	USD	PV 95843 WA 042	316,431		34,309,814	300,020	Mtwapa-Kilifi IPC 21 AfDB USD-VIC
16	07/02/2025	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	USD	PV 95907 WA 043	672,618		72,930,408	615,241	Mtwapa-Kilifi IPC 22 ADB USD-VIC
Total Disbursements by the African Development Bank (ADB) (A)					20,247,238	-	2,201,095,106	18,676,151	

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B. Amounts Received from the African Development Fund (ADF)

No	Date	Payee	Currency of Payment	Payment Reference	Amounts in respective Currency of IPC/fee note		Equivalent amount in reporting currency	Equivalent amount in Donor Currency	Description
					USD	Kshs	Kshs	UAC	
17	05/08/2024	Hunan Road & Bridge Construction Group Co. Ltd.	KES	PV 92016 WA 212		54,512,398.13	54,512,398	315,483.94	Mombasa-Mtwapa IPC 09 KSHS ADF
18	05/08/2024	Hunan Road & Bridge Construction Group Co. Ltd.	KES	PV 92019 WA 213		83,587,090.01	83,587,090	482,324.55	Mombasa-Mtwapa IPC 10 KSHS ADF
19	03/09/2024	Hunan Road & Bridge Construction Group Co. Ltd.	KES	PV92558 WA226		60,667,343.50	60,667,344	350,653.20	Mombasa-Mtwapa 11 (AfDB Kshs)
20	09/10/2024	Hunan Road & Bridge Construction Group Co. Ltd.	KES	PV93257 WA238		118,343,788.99	118,343,789	697,746.79	Mombasa-Mtwapa 13 (AfDB Kshs)
21	17/10/2024	Hunan Road & Bridge Construction Group Co. Ltd.	KES	PV 93573 WA 239		134,344,652.24	134,344,652	789,481.28	Mombasa-Mtwapa IPC 14 AfDB KSHS
22	07/11/2024	Hunan Road & Bridge Construction Group Co. Ltd.	KES	PV 94216 WA 251		57,398,597.03	57,398,597	337,250.93	Mombasa-Mtwapa IPC 15 AfDB KSHS
23	12/02/2025	Hunan Road & Bridge Construction Group Co. Ltd.	KES	PV 95913 WA 268		46,594,761.25	46,594,761	274,046.69	Mombasa-Mtwapa IPC 16 AfDB KSHS
24	27/02/2025	Hunan Road & Bridge Construction Group Co. Ltd.	KES	PV 96266 WA 269		86,420,944.98	86,420,945	501,302.74	Mombasa-Mtwapa IPC 17 AfDB KSHS
25	17/04/2025	Hunan Road & Bridge Construction Group Co. Ltd.	KES	PV 97640 WA 273		145,921,860.97	145,921,861	847,610.08	Mombasa-Mtwapa IPC 18 AfDB KSHS
26	05/08/2024	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	KES	PV92071 WA215		84,870,908.45	84,870,908	489,006.28	Mtwapa-Kilifi 16 (AfDB Kshs VEC)
27	05/08/2024	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	KES	PV92070 WA214		103,731,110.32	103,731,110	597,674.34	Mtwapa-Kilifi 16 (AfDB Kshs JTEG)
28	31/07/2024	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	KES	PV 92075 WA 217		13,909,383.80	13,909,384	80,498.88	Mtwapa-Kilifi IPC 17 DF KSHS -VIC
29	31/07/2024	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	KES	PV 92074 WA 216		17,000,357.98	17,000,358	98,387.52	Mtwapa-Kilifi IPC 17 ADF KSHS-JTE
30	13/08/2024	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	KES	PV92218 WA223		57,369,090.83	57,369,091	335,408.15	Mtwapa-Kilifi 18 (AfDB Kshs JTEG)
31	13/08/2024	Jiangxi Transportation Engineering in JV With	KES	PV92219 WA224		46,938,347.04	46,938,347	274,424.85	Mtwapa-Kilifi 18 (AfDB Kshs VEC)

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No	Date	Payee	Currency of Payment	Payment Reference	Amounts in respective Currency of IPC/fee note		Equivalent amount in reporting currency	Equivalent amount in Donor Currency	Description
					USD	Kshs	Kshs	UAC	
		Victoria Engineering Co. Ltd							
32	15/10/2024	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	KES	PV93577 WA241		78,919,454.49	78,919,454	465,719.92	Mtwapa-Kilifi 19 (ADF Kshs VEC)
33	15/10/2024	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	KES	PV93576 WA240		96,457,111.04	96,457,111	569,213.24	Mtwapa-Kilifi 19 (ADF Kshs JTEG)
34	05/12/2024	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	KES	PV94866 WA252		74,323,459.42	74,323,459	438,425.69	Mtwapa-Kilifi 20 (ADF Kshs JTE)
35	05/12/2024	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	KES	PV94687 WA253		60,810,103.16	60,810,103	358,711.93	Mtwapa-Kilifi 20 (ADF Kshs VEC)
36	06/02/2025	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	KES	PV 95846 WA 265		13,909,383.80	13,909,384	81,807.92	Mtwapa-Kilifi IPC 21 DF KSHS -VIC
37	06/02/2025	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	KES	PV 95845 WA 264		17,000,357.98	17,000,358	99,987.46	Mtwapa-Kilifi IPC 21 ADF KSHS-JTE
38	07/02/2025	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	KES	PV 95909 WA 266		36,136,688.39	36,136,688	212,537.63	Mtwapa-Kilifi IPC 22 ADF KSHS-JTE
39	07/02/2025	Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	KES	PV 95910 WA 267		29,566,381.41	29,566,381	173,894.42	Mtwapa-Kilifi IPC 22 ADF KSHS-VIC
40	11/08/2023	Sari Consulting Ltd	KES	PV92094 WA219		8,475,807.20	8,475,807	50,016.26	Mombasa-Mtwapa 22 (AfDB Kshs)
41	11/08/2023	Sari Consulting Ltd	USD	PV92093 WA218	17,317.13		2,225,753	13,123.23	Mombasa-Mtwapa 22 (AfDB USD)
42	16/08/2023	Sari Consulting Ltd	KES	PV93607 WA228		8,829,433.60	8,829,434	51,621.24	Mombasa-Mtwapa 23 (AfDB Kshs)
43	16/08/2023	Sari Consulting Ltd	USD	PV93606 WA227	23,287.50		3,025,570	17,515.05	Mombasa-Mtwapa 23 (AfDB USD)
44	16/08/2023	Sari Consulting Ltd	KES	PV93609 WA234		7,979,629.80	7,979,630	46,422.10	Mombasa-Mtwapa 24 (AfDB Kshs)
45	16/08/2023	Sari Consulting Ltd	USD	PV93608 WA233	23,976.30		3,094,861	18,033.11	Mombasa-Mtwapa 24 (AfDB USD)
46	16/08/2023	Sari Consulting Ltd	KES	PV 93609 WA 244		8,043,174.00	8,043,174	46,999.14	Mombasa-Mtwapa FN 25 AfDB KSHS

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No	Date	Payee	Currency of Payment	Payment Reference	Amounts in respective Currency of IPC/fee note		Equivalent amount in reporting currency	Equivalent amount in Donor Currency	Description
					USD	Kshs	Kshs	UAC	
47	16/08/2023	Sari Consulting Ltd	USD	PV 93608 WA 243	23,287.50		3,008,657	17,572.74	Mombasa-Mtwapa FN 25 AfDB USD
48	26/10/2023	Sari Consulting Ltd	KES	PV 95276 WA 257		8,137,242.40	8,137,242	48,138.54	Mombasa-Mtwapa 27 AfDB KSHS
49	26/10/2023	Sari Consulting Ltd	USD	PV 95275 WA 256	23,287.50		3,011,036	17,932.24	Mombasa-Mtwapa 27 AfDB USD
50	16/01/2024	Sari Consulting Ltd	KES	PV 95274 WA 255		7,994,550.80	7,994,551	47,719.85	Mombasa-Mtwapa 26 AfDB KSHS
51	16/01/2024	Sari Consulting Ltd	USD	PV 95273 WA 254	23,287.50		3,008,242	17,785.84	Mombasa-Mtwapa 26 AfDB USD
52	16/01/2024	Sari Consulting Ltd	KES	PV 95425 WA 263		8,286,700.20	8,286,700	49,022.71	Mombasa-Mtwapa FN 28 AfDB KSHS
53	16/01/2024	Sari Consulting Ltd	USD	PV 95424 WA 262	23,287.50		3,017,408	17,802.75	Mombasa-Mtwapa FN 28 AfDB USD
54	16/01/2024	Sari Consulting Ltd	KES	PV 97784 WA 283		10,227,542.60	10,227,543	57,350.36	Mombasa-Mtwapa AfDB FN 31 KSHS
55	16/01/2024	Sari Consulting Ltd	USD	PV 97783 WA 282	23,287.50		3,013,081	16,871.92	Mombasa-Mtwapa AfDB FN 31 USD
56	24/05/2024	Sari Consulting Ltd	USD	PV 97781 WA 280	23,287.50		3,013,081	16,871.92	Mombasa-Mtwapa AfDB FN 30 USD
57	24/05/2024	Sari Consulting Ltd	KES	PV 97782 WA 281		8,738,729.20	8,738,729	49,001.93	Mombasa-Mtwapa AfDB FN 30 KSHS
58	23/06/2025	Sari Consulting Ltd	USD	PV 99506 WA 288	23,287.50		3,009,558	17,164.81	Mombasa-Mtwapa AfDB FN 32 USD
59	23/06/2025	Sari Consulting Ltd	KES	PV 99566 WA 289		9,902,345.20	9,902,345	56,473.98	Mombasa-Mtwapa AfDB FN 32 KSHS
60	23/06/2025	Sari Consulting Ltd	USD	PV 99507 WA 290	23,287.50		3,009,558	17,164.81	Mombasa-Mtwapa AfDB FN 33 USD
61	23/06/2025	Sari Consulting Ltd	KES	PV 99567 WA 291		8,682,770.40	8,682,770	49,518.63	Mombasa-Mtwapa AfDB FN 33 KSHS
62	05/08/2024	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV92082 WA222		18,000.00	18,000	106.13	Mtwapa-Kilifi 29 (AfDB Kshs Tekfen)
63	05/08/2024	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV92083 WA221		7,553,085.69	7,553,086	44,532.47	Mtwapa-Kilifi 29 (AfDB Kshs EAEC)
64	05/08/2024	Tekfen Engineering Co. Inc In	USD	PV92081					Mtwapa-Kilifi 29 (AfDB USD)

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No	Date	Payee	Currency of Payment	Payment Reference	Amounts in respective Currency of IPC/fee note		Equivalent amount in reporting currency	Equivalent amount in Donor Currency	Description
					USD	Kshs	Kshs	UAC	
		JV with East Africa Engineering Consultants Limited		WA220	25,319.94		3,281,095	18,986.20	Tekfen)
65	04/09/2024	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV92612 WA231		48,000.00	48,000	277.68	Mtwapa-Kilifi 27 (AfDB Kshs Tekfen)
66	04/09/2024	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV92613 WA230		6,554,614.41	6,554,614	37,918.98	Mtwapa-Kilifi 27 (AfDB Kshs EAEC)
67	04/09/2024	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	USD	PV92611 WA229	25,319.94		3,310,073	18,900.46	Mtwapa-Kilifi 27 (AfDB USD Tekfen)
68	23/09/2024	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV92615 WA237		18,000.00	18,000	106.13	Mtwapa-Kilifi 30 (AfDB Kshs Tekfen)
69	23/09/2024	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV92616 WA236		6,975,023.37	6,975,023	41,124.25	Mtwapa-Kilifi 30 (AfDB Kshs EAEC)
70	23/09/2024	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	USD	PV92614 WA235	25,319.94		3,268,298	18,986.20	Mtwapa-Kilifi 30 (AfDB USD Tekfen)
71	06/11/2024	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	USD	PV 95343 WA 245	25,319.94		3,271,240	19,212.41	Mtwapa-Kilifi FN 31 AfDB USD-TEK
72	06/11/2024	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV 93545 WA 246		5,734,816.94	5,734,817	33,829.04	Mtwapa-Kilifi FN 31 AfDB KSHS -EAEC
73	06/11/2024	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV 93544 WA 247		18,000.00	18,000	106.18	Mtwapa-Kilifi FN 31 AfDB KSHS -TEK

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No	Date	Payee	Currency of Payment	Payment Reference	Amounts in respective Currency of IPC/fee note		Equivalent amount in reporting currency	Equivalent amount in Donor Currency	Description
					USD	Kshs	Kshs	UAC	
74	06/11/2024	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	USD	PV 93989 WA 248	25,319.94		3,271,222	19,212.41	Mtwapa-Kilifi FN 32 AfDB USD-TEK
75	06/11/2024	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV 93991 WA 249		3,911,103.21	3,911,103	23,059.65	Mtwapa-Kilifi FN 32 AfDB KSHS- EAEC
76	06/11/2024	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV 93990 WA 250		18,000.00	18,000	106.13	Mtwapa-Kilifi FN 32 AfDB KSHS- TEK
77	16/01/2025	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV 95152 WA 160		3,397,930.87	3,397,931	19,996.01	Mtwapa-Kilifi FN 33 AfDB KSHS-EAEC
78	16/01/2025	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV 95151 WA 259		48,000.00	48,000	282.47	Mtwapa-Kilifi FN 33 AfDB KSHS-TEK
79	16/01/2025	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	USD	PV 95150 WA 258	21,845.98		2,829,533	16,706.93	Mtwapa-Kilifi FN 33 AfDB USD-TEK
80	18/03/2025	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV95958 DP272		2,972,216.65	2,972,217	16,922.66	Mtwapa-Kilifi 34(AfDB Kshs EAEC)
81	18/03/2025	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV95957 DP271		18,000.00	18,000	103.54	Mtwapa-Kilifi 34(AfDB Kshs Tekfen)
82	18/03/2025	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	USD	PV95956 DP270	17,510.21		2,264,032	12,874.09	Tekfen Engineering/EAEC JV; Mtwapa-Kilifi FN 24 (AfDB Payment)
83	05/05/2025	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants	KES	PV 97790 WA 279		844,728.82	844,729	4,736.77	Mtwapa-Kilifi AfDB FN 36 KSHS-EAEC

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No	Date	Payee	Currency of Payment	Payment Reference	Amounts in respective Currency of IPC/fee note		Equivalent amount in reporting currency	Equivalent amount in Donor Currency	Description
					USD	Kshs	Kshs	UAC	
		Limited							
84	05/05/2025	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV 97789 WA 278		48,000.00	48,000	269.16	Mtwapa-Kilifi AfDB FN 36 KSHS-TEKFEN
85	05/05/2025	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	USD	PV 97788 WA 277	22,075.68		2,853,396	16,057.58	Mtwapa-Kilifi AfDB FN 36 USD-TEKFEN
86	05/05/2025	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV 97787 WA 276		2,325,374.39	2,325,374	13,039.40	Mtwapa-Kilifi AfDB FN 35 KSHS-EAEC
87	05/05/2025	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	KES	PV 97786 WA 275		18,000.00	18,000	100.94	Mtwapa-Kilifi AfDB FN 35 KSHS-TEKFEN
88	05/05/2025	Tekfen Engineering Co. Inc In JV with East Africa Engineering Consultants Limited	USD	PV 97785 WA 274	25,319.94		3,272,734	18,417.42	Mtwapa-Kilifi AfDB FN 35 USD-TEKFEN
89	16/06/2025	Timcon Associates & Timcon Transport Consulting Ltd	USD	PV 98999 WA 285	49,974.00		6,461,518	36,834.97	Mombasa-Mtwapa-Kilifi INV 001 AfDB USD-TIMCON TRANSPORT
90	16/06/2025	Timcon Associates & Timcon Transport Consulting Ltd	USD	PV 98998 WA 284	49,974.00		6,461,518	36,834.97	Mombasa-Mtwapa-Kilifi INV 001 AfDB USD-TIIMCON ASSOCIATES
91	15/10/2024	Delta Health Consultants Ltd/Limelight Consultants Ltd JV	KES	PV93604 WA242		9,477,931.06	9,477,931	55,783.69	Mombasa-Mtwapa-Kilifi 5 (AfDB Kshs)
92	10/01/2025	Delta Health Consultants Ltd/Limelight Consultants Ltd JV	KES	PV 95423 WA 261		9,477,931.06	9,477,931	56,135.07	Mombasa-Mtwapa-Kilifi INV 6/12/2024 AfDB KSHS
Total Disbursements by the African Development Fund (ADF) (B)					564,180	1,673,508,257	1,746,489,721	10,193,282	

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Annex 7 – Analysis of Pending Bills

Supplier of Goods or Services	Date invoiced.	Original Amount	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	IPC/fee note number
				Current FY	Previous FY	
		a	b	c=a-b		
Construction of Roads						
Jiangxi Transportation Engineering in JV With Victoria Engineering Co. Ltd	30/05/2024	471,505,047	471,505,048	-	471,505,047	16
Hunan Road & Bridge Construction Group Co. Ltd.	27/05/2024	181,707,994	181,707,994	-	181,707,994	9
Hunan Road & Bridge Construction Group Co. Ltd.	02/01/2025	10,943,948	-	10,943,948	-	12
Sub-Total		664,156,988	653,213,042	10,943,946	653,213,041	
Acquisition of Land						
Acquisition Of Land		4,328,707,710	4,251,619,010	77,088,700	3,132,536,161	
Sub-Total		4,328,707,710	4,251,619,010	77,088,700	3,132,536,161	
Supply of services						
SARI Consulting Ltd.	14/12/2022	20,208,746	20,208,746	-	135,961	1
SARI Consulting Ltd.	15/12/2022	2,753,565	2,753,565	-	440,639	2
SARI Consulting Ltd.	14/12/2022	3,874,326	3,874,326	-	619,892	3
SARI Consulting Ltd.	10/01/2023	2,755,700	2,755,700	-	440,912	4
SARI Consulting Ltd.	06/03/2023	2,023,272	2,023,272	-	279,072	5
SARI Consulting Ltd.	22/02/2023	5,072,538	5,072,538	-	699,660	6
SARI Consulting Ltd.	16/03/2023	6,764,234	6,764,234	-	932,998	7
SARI Consulting Ltd.	08/05/2023	6,932,020	6,932,020	-	956,141	8
SARI Consulting Ltd.	18/05/2023	7,501,640	7,501,640	-	1,034,709	9
SARI Consulting Ltd.	20/06/2023	9,224,548	9,224,548	-	1,272,351	10
SARI Consulting Ltd.	27/07/2023	9,895,670	9,895,670	-	1,364,920	11
SARI Consulting Ltd.	23/08/2023	10,581,876	10,581,876	-	1,459,569	12
SARI Consulting Ltd.	07/12/2023	9,379,372	9,379,372	-	1,293,706	13
SARI Consulting Ltd.	07/12/2023	9,500,592	9,500,592	-	1,310,426	14
SARI Consulting Ltd.	07/12/2023	11,441,176	11,441,176	-	1,578,093	15
SARI Consulting Ltd.	11/12/2023	9,912,138	9,912,138	-	1,367,191	16
SARI Consulting Ltd.	10/01/2024	10,499,610	10,499,610	-	1,448,222	17

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Supplier of Goods or Services	Date invoiced.	Original Amount	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	IPC/fee note number
				Current FY	Previous FY	
SARI Consulting Ltd.	09/05/2024	10,553,105	10,553,105	-	1,455,601	18
SARI Consulting Ltd.	10/03/2024	10,915,668	10,915,668	-	1,505,609	19
SARI Consulting Ltd.	05/06/2024	11,150,905	11,150,905	-	1,538,056	20
SARI Consulting Ltd.	05/06/2024	10,728,801	10,728,801	-	1,479,835	21
SARI Consulting Ltd.	01/04/2025	15,359,124	13,240,624	2,118,500	-	31
SARI Consulting Ltd.	14/05/2025	14,977,807	12,911,903	2,065,904	-	32
SARI Consulting Ltd.	14/05/2025	13,563,101	11,692,328	1,870,773	-	33
CAS Consultants Ltd.	15/03/2023	4,562,234	4,562,234	-	629,274	1
CAS Consultants Ltd.	04/02/2025	2,281,144	1,966,485	314,660		4
CAS Consultants Ltd.	04/02/2025	6,843,322	5,899,454	943,868		3
CAS Consultants Ltd.	04/02/2025	4,562,289	3,932,969	629,320		2
CAS Consultants Ltd.	04/02/2025	2,281,144	1,966,485	314,660		5
Apex Consulting Ltd	16/06/2023	4,931,392	4,931,392	-	4,931,392	1
Apex Consulting Ltd	31/01/2025	7,397,088	6,376,800	1,020,288	-	2
Delta Health Consultants Ltd.	30/01/2023	13,743,000	13,743,000	-	1,895,586	1
Delta Health Consultants Ltd.	01/09/2023	13,743,000	13,743,000	-	1,895,586	2
Delta Health Consultants Ltd.	01/09/2023	10,994,400	10,994,400	-	1,516,469	3
Delta Health Consultants Ltd.	15/02/2024	10,994,400	10,994,400	-	1,516,469	4
Tekfen Engineering	30/03/2023	11,861,639	11,861,639	-	1,855,476	14
Tekfen Engineering	30/03/2023	12,441,639	12,441,639	-	1,935,476	15
Tekfen Engineering	16/06/2023	12,064,639	12,064,639	-	1,883,475	16
Tekfen Engineering	14/07/2023	11,861,639	11,861,639	-	1,855,476	17
Tekfen Engineering	23/08/2023	11,861,639	11,861,639	-	1,855,476	18
Tekfen Engineering	11/10/2023	13,865,707	13,865,707	-	1,912,511	19
Tekfen Engineering	23/10/2023	12,744,287	12,744,287	-	1,757,833	20
Tekfen Engineering	16/11/2023	12,828,865	12,828,865	-	1,769,499	21
Tekfen Engineering	20/12/2023	12,871,648	12,871,648	-	1,775,400	22
Tekfen Engineering	25/01/2024	13,435,924	13,435,924	-	1,853,231	23
Tekfen Engineering	14/02/2024	12,582,410	12,582,411	-	1,735,504	24
Tekfen Engineering	09/04/2024	12,389,215	12,389,215	-	1,708,857	25
Tekfen Engineering	30/04/2024	13,124,867	13,124,867	-	1,810,326	26

*(Bagamoyo – Horohoro - Lunga Lunga - Malindi Road Project: Phase I)
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Supplier of Goods or Services	Date invoiced.	Original Amount	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	IPC/fee note number
				Current FY	Previous FY	
Tekfen Engineering	06/06/2024	11,672,318	11,672,318	-	1,609,975	28
Tekfen Engineering	14/10/2024	10,467,906	10,367,531	100,375	-	31
Tekfen Engineering	14/10/2024	8,352,378	7,200,326	1,152,052	-	32
Tekfen Engineering	21/11/2024	7,279,538	6,275,464	1,004,075	-	33
Tekfen Engineering	06/02/2025	6,094,928	5,254,248	840,679	-	34
Tekfen Engineering	01/04/2025	6,514,686	5,616,108	898,577	-	35
Tekfen Engineering	01/04/2025	4,345,505	3,746,125	599,380	-	36
Mdzongoloni Vocational and Training Centre	11/10/2024	93,750	93,570	180	-	Training fee
Mosound Group Ltd	19/01/2023	1,999,608	1,947,894	51,714	51,714	
Delfin Tours	14/05/2025	22,000	-	22,000	-	INV 000479
Bigman Travel & Holidays Ltd	14/05/2025	14,900	-	14,900	-	INV 00012885
Kaylan Tours & Travel	14/05/2025	21,300	-	21,300	-	INV 15849
Kaylan Tours & Travel	14/05/2025	21,400	-	21,400	-	INV 15848
Timcon Associates & Timcon Transport Consulting Ltd	28/04/2025	14,990,764	12,923,037	2,067,727	-	-
Sub-Total		543,728,047	527,655,718	16,072,330	60,368,570	
Grand-Total		5,536,592,746	5,432,487,770	104,104,976	3,846,117,772	

(Bagamoyo – Horohoro - Lunga Lunga - Malindi Road Project: Phase I)
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Annex 9 – Retentions Controlled by Third Parties

Date	Name of Contractor	IPCNo.	FY 2024/25	FY 2023/24
15/04/2025	Hunan Road & Bridge Construction Group Co. Ltd.	18	24,631,669	-
25/02/2025	Hunan Road & Bridge Construction Group Co. Ltd.	17	35,631,210	-
05/02/2025	Hunan Road & Bridge Construction Group Co. Ltd.	16	17,257,318	-
04/11/2024	Hunan Road & Bridge Construction Group Co. Ltd.	15	21,258,739	-
09/10/2024	Hunan Road & Bridge Construction Group Co. Ltd.	14	49,757,280	-
01/10/2024	Hunan Road & Bridge Construction Group Co. Ltd.	13	43,831,033	-
23/08/2024	Hunan Road & Bridge Construction Group Co. Ltd.	11	22,469,386	-
15/07/2024	Hunan Road & Bridge Construction Group Co. Ltd.	10	30,958,182	-
05/08/2024	Hunan Road & Bridge Construction Group Co. Ltd.	9	20,189,777	-
04/06/2024	Hunan Road & Bridge Construction Group Co. Ltd.	8	22,970,076	22,970,076
18/03/2024	Hunan Road & Bridge Construction Group Co. Ltd.	7	17,057,545	17,057,545
21/12/2023	Hunan Road & Bridge Construction Group Co. Ltd.	6	21,189,671	21,189,671
06/12/2023	Hunan Road & Bridge Construction Group Co. Ltd.	5	13,571,000	13,571,000
16/11/2023	Hunan Road & Bridge Construction Group Co. Ltd.	4	10,260,503	10,260,503
28/09/2023	Hunan Road & Bridge Construction Group Co. Ltd.	3	10,810,650	10,810,650
27/07/2023	Hunan Road & Bridge Construction Group Co. Ltd.	2	17,693,341	17,693,341
06/02/2025	Jiangxi Transportation Engineering Group Ltd In Jv With Victoria Engineering	21	- 77,274,355	-
31/07/2024	Jiangxi Transportation Engineering Group Ltd In Jv With Victoria Engineering	17	- 77,274,355	-
09/11/2023	Jiangxi Transportation Engineering Group Ltd In Jv With Victoria Engineering	11	27,911,824	27,911,824
31/08/2020	Jiangxi Transportation Engineering Group Ltd In Jv With Victoria Engineering	10	41,237,722	41,237,722
23/06/2023	Jiangxi Transportation Engineering Group Ltd In Jv With Victoria Engineering	9	60,915,264	60,915,264
23/06/2023	Jiangxi Transportation Engineering Group Ltd In Jv With Victoria Engineering	8	42,057,657	42,057,657
03/04/2023	Jiangxi Transportation Engineering Group Ltd In Jv With Victoria Engineering	7	55,213,464	55,213,464
09/02/2023	Jiangxi Transportation Engineering Group Ltd In Jv With Victoria Engineering	6	38,077,897	38,077,897
13/01/2023	Jiangxi Transportation Engineering Group Ltd In Jv With Victoria Engineering	5	18,212,329	18,212,329
07/12/2022	Jiangxi Transportation Engineering Group Ltd In Jv With Victoria Engineering	4	42,518,631	42,518,631
16/11/2022	Jiangxi Transportation Engineering Group Ltd In Jv With Victoria Engineering	3	33,545,441	33,545,441
28/06/2022	Jiangxi Transportation Engineering Group Ltd In Jv With Victoria Engineering	2	17,625,955	17,625,955
Total			602,304,854	490,868,969



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